Reynolds Planning A 25-Cigarette Pack

In a departure from traditional cigarette packaging in the United States, R. J. Reynolds Industries introduced a new cigarette yesterday and said it would be sold in packs of 25 instead of the usual 20.

Reynolds said the new packs would be priced slightly higher than packs of 20 cigarettes, but it said a carton containing 225 new cigarettes would be sold for the same price as other brands' 200-cigarette carton. The new carton will contain nine packs, not 10.

Reynolds said the new cigarettes, in their packs of 25, would be called Century and would be of the same quality as other Reynolds brands such as Winston, Salem and Camel.

"This brand is aimed at the older, prudent shopper, the same people who go to a discount house for designer clothes or buy a Volvo," said James W. Johnston, executive vice president of the R. J. Reynolds Tobacco Company, a Reynolds subsidiary.

Similar to European Methods

Unlike generic cigarettes, Mr. Johnston said, the Century regulars and Century Light cigarettes will not be made of less expensive tobacco blends.

The new marketing approach, similar to European practices, is the latest round in competition with Philip Morris Inc., which is threatening the Reynolds position of No. 1 in cigarette sales in this country.

Mr. Johnson said his company would preserve its profit margins on the new cigarette through lower packaging costs and a more modest advertising campaign than it uses for other brands.

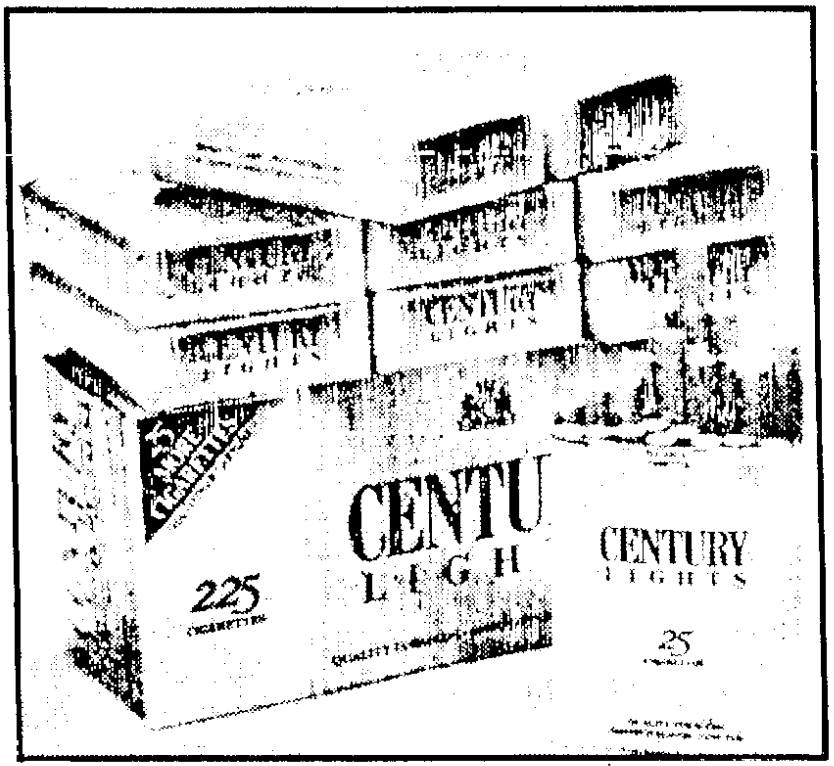
For example, he said, there will be no full-page advertisements, which ordinarily announce a new Reynolds product. He would not disclose the advertising budget for Century cigarettes, but he said it was less than the $80 million ordinarily spent to promote a new brand.

Analysts said the move amounted to price-cutting and suggested that it was prompted, at least in part, by the Federal tax increase. Congress doubled the tax last year, to 16 cents a pack from 8 cents. Cigarette sales in the first quarter of 1983 fell 5 percent.

"Whether they can get by with the lower advertising budget depends on how quickly their competitors respond with a packaging technique of their own," commented John Maxwell Jr., an analyst with Lehman Brothers Kuhn Loeb.

The new cigarette will be available about July 5, the company said.

Marketing may be hampered because tax laws in several states, including New York and New Jersey, are based on the pack of 20. Until the laws are amended, company officials said, Century packs of 25 will not be sold in those states because they would be subject to a double tax — like two packs of 20 cigarettes each.



The New York Times / Bill Aller

R. J. Reynolds Industries' new Century Lights, with 5 more cigarettes per pack and 25 more cigarettes per carton.

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